

Central Intelligence Agency



19 AUG 1985

Mr. James M. Frey
Assistant Director for
Legislation Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Frey:

This is in response to your request for the Agency's views on Senator Stevens' bill, S. 1527, the Civil Service Pension Reform Act of 1985. This bill sets forth a permanent supplemental retirement plan to replace the present interim system provided for employees hired after 31 December 1983 and subject to Social Security coverage.

The Director of Central Intelligence in earlier discussions with the President and Dave Stockman indicated the need for a separate Central Intelligence Agency (CIA) retirement system. This was followed by discussions between Agency officials and representatives of the Office of Management and Budget (OMB). Director Casey has forwarded to Mr. Wright, Acting Director, OMB, a proposal in this regard which would permit the Agency to administer a retirement system for all Agency employees including those currently under CIARDS and the Civil Service Retirement System. This proposed Agency retirement system contains features which we believe are essential to effectively serve the special security and managerial needs of the Agency. Senator Stevens' bill does not accommodate these unique retirement needs and is not an appropriate vehicle for seeking the retirement program required by the Agency. We therefore, intend, with Administration assistance, to seek separate legislation in this area as discussed with officials at OMB.

We look forward to working closely with members of your staff and other OMB representatives.

Sincerely,

Charles A. Briggs
Director, Office of Legislation Liaison

Retirees

I. CIARDS

- A) No Prior Federal Service
 - ° Money From OPM, No Names
- B) Prior Federal Service
 - ° Money From OPM for CIA Service - No Names
 - ° Money From OPM for Non-CIA Service-Requested At Time of Retirement-Records to CIA

II. Civil Service

- A) No Prior Federal Service - Establish payroll system same as CIARDS except CSRS vice CIARDS fund. Need disbursement authority.
- B) Prior Federal Service - Same as II (A), except OPM records to CIA for prior Federal Service for retention.

Resignees

I. CIARDS

- A) No Prior Federal Service - Refund From CIA
- B) Prior Federal Service - Refund from CIA for Agency Service--Refund for Prior Service From OPM?

II. CSRS

- A) No Prior Federal Service--If Refund, Money From CSRS - No Name, CIA Refunds to Employee.
- B) Prior Federal Service - CIA Refunds to Employee For Agency Service - Money From CSRS No Name - Refunds for Prior Federal Service from OPM.

III. Deferred Annuities

FEGLI - Certification Authority For CIA Retirees Delegated to CIA Officer